Quess Corp

Operator: Good day and welcome to the Quess Corp Ltd. Q1 FY27 earnings conference call hosted by IIFL Capital Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Siddharth Zabar from IIFL Capital Services Limited. Thank you and over to you, sir.

Siddharth Zabar – IIFL Capital Services Limited: Thank you. Ladies and gentlemen, good morning and thank you for joining us on the post Q1 FY27 results conference call for Quess Corp Ltd. It is my pleasure to introduce the senior management team of Quess Corp who are here with us today to discuss the results. We have Mr. Rohit Bhatia, Executive Director and Group CEO, Mr. Neeraj Jain, CFO, Mr. Kushal Maheshwari, Head of Investor Relations, Mr. Kapil Joshi, CEO of Quess IT Staffing, and Mr. Nitin Nabel, CEO of Quess Staffing Solutions. We will begin the call with opening remarks by the management team and thereafter we will open the call for the Q&A session. I would like to now hand over the call to Mr. Kushal Maheshwari to take the proceedings forward. Thank you and over to you, Kushal.

Kushal Maheshwari – Quess Corp Ltd.: Thank you, Siddharth. Good morning everyone, and thank you for joining us for our Q1 FY27 earnings call. The information, data and outlook shared by the management during the call are forward-looking and subject to prevailing business conditions and government policies. All forward-looking statements are subject to economic growth for other risks faced by the company. Please refer to slide number two of the investor presentation for the safe harbor clause. With that safe harbor clause, I will now hand over the call to our ED and Group CEO, Mr. Rohit Bhatia for his opening statements. Over to you, Rohit.

Rohit Bhatia – Quess Corp Ltd.: Thank you, Kushal. Good morning, everyone, and thank you for joining us for Quess Corp's Q1 FY27 earnings call. We are pleased to start FY27 on a strong note with broad-based growth and improvements in the quality of our earnings.

For Q1 FY27, we delivered a consolidated revenue of 4,182 crores, reflecting a 15% year-on-year growth and a 7% quarter-on-quarter growth. The EBITDA during this quarter came in at 85 crores. This is a 21% year-on-year growth with a margin at 2.02%. PBT stood at 82 crores, growing at 61% year-on-year and 28% quarter-on-quarter with an EPS of 5.5, also up 61% year-on-year. During the quarter, the implementation of the new labor code resulted in a one-time revenue impact of 176 crores. During this quarter, we received income tax refunds for the past financial years, including interest of 261 crores, which contributed to higher other income for the period.

Importantly, we remain a zero-debt company as of June 30, 2026, with a healthy net cash position, reflecting the continued strength and discipline of our balance sheet. Separately, pending the approval of the final dividend in the upcoming AGM to be held on August 25, 2026, we will be paying a final dividend for the last financial year of 3 per share, staying true to our commitment of rewarding our shareholders at every step of the way.

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Overall, the business performance has shown broad-based growth across every segment. Q1 FY27 reflects continued momentum across our portfolio, with all three core segments delivering double-digit revenue growth on a year-on-year basis. We ended the quarter with a headcount of approximately 482,214 associates, which is up 4.5% year-on-year, reinforcing our position as India's largest domestic staffing platform.

In our general staffing business, which has seen resilient growth despite the market environment, we continued to demonstrate scale leadership and execution discipline. Revenue stood at 3,596 crores, which is up 15% year-on-year and 8% quarter-on-quarter. The EBITDA for the quarter is at 51 crores, up 12% year-on-year, though sequentially down 2%. Headcount stood at 469,000 with an addition of 3,800 plus associates in a challenging market environment. We added 86 new contracts during this quarter in our general staffing business. The DSO remains tight with 15 days AR, while overall it is 28 days including the UBR. The growth was led by our CRT, manufacturing, and allied verticals, while the BFSI saw a marginal decline. We continue to focus on higher-value segments such as construction, manufacturing, and VAS, supported by the investment in technology and AI-led sourcing and productivity initiatives.

Moving on to our professional staffing vertical, we sustained high-quality growth. The professional staffing segment delivered another quarter of profitable GCC-led growth. Revenue at 252 crores is up 3% year-on-year and up 9% quarter-on-quarter. The EBITDA during this quarter has come in at 28 crores, which is up 12% year-on-year with a margin of 11%. GCCs now contribute 71% of headcount and 68% of revenue, reflecting our continued positioning in high-value roles. Headcount at the quarter-end stood at 7,129, up 7% year-on-year. We added 36 new contracts in our professional staffing platform during the quarter with an open mandate of 1,100 positions, primarily in niche and high-value roles. Our gross margin to EBITDA conversion remained a healthy 50% with double-digit EBITDA margins, even after absorbing the annual merit cycles and the payouts which are typical for the end of the year, underscoring the structural strength of this business.

Overseas business has been consistent with diversified growth. Our overseas business continued to deliver consistent double-digit growth across geographies. Revenue stood at 333 crores, up 17% year-on-year and broadly flat quarter-on-quarter. EBITDA grew to 21 crores, up 17% year-on-year with margins at 6.2%. We added 37 new logos during this quarter with double-digit growth in both revenue and EBITDA. Key highlights include the Singapore general staffing business adding 17 new contracts and 37 local nationals to their headcount. Malaysia delivered 55% year-on-year revenue growth, scaling to 873 headcount with an EBITDA margin of 4.1%. The Middle East delivered 12% EBITDA margin with 27% revenue growth and 18% EBITDA growth year-on-year. Philippines recorded 17% year-on-year revenue growth with a 10% net margin. EBITDA margins remain stable despite currency fluctuation, and our international portfolio continues to be well-diversified across Southeast Asia, Singapore, Middle East, and rest of the world.

Regarding digital platforms and Quess 2.0, we are building for dollar-denominated and higher-margin growth. Our digital platform businesses remain in the investment phase as we continue to build our blue-collar jobs market as well as AI-driven recruitment and workforce solutions. We continue to make strong progress on Quess 2.0, repositioning our current volume engine towards higher-margin, value-accretive growth in the years to come. We are building partner-led, capital-light talent corridors across five focus segments: healthcare, technology, MEP

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and civil, hospitality and allied, and finance and professional. Our Japan corridor is signed and in execution. Europe, particularly the Nordics, is in advanced stages of discussion. Israel continues to be in discussion and North America is at early stages of exploration. Over the next 3 to 4 years, we aspire to have 20-25% of revenues coming from higher-margin businesses, changing the underlying composition of our company, as well as the margin profile and trajectory.

On people and ESG, I am proud to share that Quess has been certified as a Great Place to Work for the seventh consecutive year, ranking 19th among India's best workplaces in 2025. We were also certified as a Great Place to Work in Singapore for the third consecutive year and for the first time in the UAE. During this quarter, we were recognized as a CMMI Level 3 certified organization. We were also ranked 188th in the Fortune 500 list, 175th in the ET 500 list, and certified as a leadership factory for India for the years 2026-2028.

Before I close, let me leave you with three thoughts as we look ahead into the rest of H1 FY27. First, the festive season is coming up, and we are seeing demand firming up across our client base, which gives us confidence heading into the seasonally strongest quarter for both sourcing and sales. Second, we have laid a strong foundation to capture this growth across headcount and contracts, putting us in a good position to convert demand into revenue as it comes through. And third, taking these into consideration together, building on a healthy H1 performance along with our professional staffing and international businesses will aid in margin growth. With that, I will now hand over to our Group CFO, Neeraj, to walk you through the financials in more detail.

Neeraj Jain – Quess Corp Ltd.: Thank you, Rohit. Good morning, everyone and thank you for joining us for the Quess Corp Q1 FY27 earnings call. I will begin with our headline financial performance for the quarter, followed by a brief segment-wise review.

Q1 FY27 has been a quarter of broad-based revenue growth with profitability improvement and meaningful strengthening of the balance sheet, giving us a strong start to the financial year. Growth was visible across all three of our core segments and both PBT and PAT grew considerably faster than revenue, reflecting genuine operating leverage layered on top of a couple of one-off items. Consolidated revenue for the quarter stood at 4,182 crores, up 15% year-on-year and 7% quarter-on-quarter, led by general staffing which grew 15% year-on-year and 8% quarter-on-quarter with a meaningful contribution from a one-time revenue impact of 176 crores relating to the new labor code implementation. Professional staffing and overseas businesses grew a further 3% and 17% year-on-year respectively, and total headcount rose to approximately 482,214, which is up 4.5% year-on-year.

EBITDA for the quarter came in at 85 crores, up 21% year-on-year, though down 2% quarter-on-quarter with the margin at 2.02%, an expansion of 11 basis points on a year-on-year basis. The sequential moderation of 20 basis points was largely a function of the annual merit cycle and variable pay reset that typically flow through in the first quarter, along with an 11 basis point contraction in margin due to the one-time pass-through revenue of 176 crores for the labor code.

Other income for the quarter was higher at 26 crores compared to 6 crores in Q4 FY26, largely attributable to the income tax refund of 261 crores which includes interest of 22 crores that was received during the quarter. The interest component flows through other income. This fund pertains to prior years and represents a meaningful one-time cash and balance sheet positive impact at

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Quess. As a result, PBT for the quarter grew to 86 crores, up 28% quarter-on-quarter and 64% year-on-year. Reported PAT stood at 82 crores, up 28% quarter-on-quarter and 61% year-on-year with diluted EPS at 5.5, which is also up 61% year-on-year.

General staffing continues to be the scale engine of the business, providing stability, cash generation, and a broad operating base. Revenue was 3,596 crores, up 15% year-on-year and 8% quarter-on-quarter, aided by the one-time 176 crore labor code impact. EBITDA was 51 crores, up 12% year-on-year, although down 2% on a sequential basis on account of the annual merit cycle. We saw a net headcount addition of 3,800 with 86 new contracts added during the quarter. DSO remained tightly controlled with AR stable at 15 days, reflecting continued collections discipline. General staffing has over 37,000 open mandates at quarter-end along with a strong sales pipeline as we move into Q2.

Professional staffing remains a key structural driver of margin expansion, anchored in GCC and high-value technology roles. Revenue was 252 crores, up 3% year-on-year and 9% quarter-on-quarter. EBITDA was 28 crores, up 12% year-on-year with margins holding at approximately 11%. GCC engagements now account for 71% of headcount and 68% of revenue in this segment, with 36 new contracts added and an open mandate pipeline of 1,100 plus roles. The sequential dip in EBITDA reflects the impact of the annual merit cycle and variable pay resets that typically land in the first quarter, and which we have historically seen normalize as the year progresses. Even so, our gross margin to EBITDA conversion in this business remained above 50% and we sustained double-digit EBITDA margins. Our internal priority remains to scale professional staffing to a 30 crore quarterly EBITDA run rate.

The overseas business delivered another quarter of consistent double-digit growth with stable margins supported by diversification across Singapore, Middle East, and the rest of the world. Revenues were 333 crores, up 17% year-on-year. Segment EBITDA stood at 21 crores, up 17% year-on-year with margin at approximately 6.2%. We added 37 new logos during the quarter.

To summarize, Q1 FY27 reflects broad-based double-digit revenue growth across all three core segments, a sharp improvement in PAT and EPS, a strong zero-debt balance sheet, and a disciplined capital allocation policy. We remain confident that a resilient general staffing base, a margin-accretive professional staffing and overseas portfolio, and continued balance sheet discipline position us well to deliver sustainable high-quality earnings growth throughout FY27. With that, I will hand it back to the moderator for Q&A.

Operator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on your touch-tone telephone. We take the first question from the line of Amit Chandra from HDFC Securities. Please proceed.

Amit Chandra – HDFC Securities: Yes, sir, thanks for the opportunity. My first question is on the general staffing segment. Obviously, we are seeing some strong growth there, which is largely driven by the consumer and manufacturing verticals. But BFSI has been a laggard and I know there are industry changes happening in the BFSI verticals. If you can give some color in terms of how to see the BFSI revival? Also, in terms of manufacturing, which is largely a more unorganized sector and we are seeing some good traction there, what are the challenges that we are seeing in terms of manufacturing? The markups there in manufacturing are higher versus BFSI. So, is it that as we

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scale manufacturing, we can see higher margins in the general staffing business? Also, in terms of overall portfolio mix, what part of the overall portfolio would be fixed markup versus variable markup? In terms of new engagements, are we seeing a shift towards more of a variable markup model?

Rohit Bhatia – Quess Corp Ltd.: Thank you Amit. I would ask Nitin to give his thoughts.

Lohit Bhatia – Quess Corp Ltd.: Hi, good morning Amit. Thanks for the question. If you really look at it, you are right. The growth in this quarter in general staffing has come primarily from manufacturing, as well as the repeat of CRT or consumer, retail, and telecommunications for us. The consumer space has been a little lagging in the last few quarters, but this was a very busy fiscal year. We are starting to see growth coming back in that. Together these two have not just given us growth, but they are definitely giving us better growth for the rest of the year because 86 new logos and contracts have been signed by us. We feel that as these fructify and mature in the second quarter, they would be additional headcount which will also come from each of these customers that have already been added.

To your point on BFSI, I would like to divide it into two: the core banking sector and the rest of the NBFC, other Fintechs, and other allocations. As you know, there is a strong regulatory headwind in our industry regarding what can and cannot be outsourced. As an organization, for the last couple of quarters, we have been dealing with that, focusing on what can be outsourced. Opportunity-wise, the opportunity in India with housing finance companies, NBFCs, and other Fintechs continues to remain large, though the scale of each of these may be in a few hundreds. So while our team signs more relationships and will build on those, obviously it will take some time for it to come back to deliver on that.

Let me just bring your notice to two facts. First, Quess is no longer just a volume organization and I think consistently for five quarters in a row, we have shown that we are a volume and a value company. Today, only 50% of our profit pool comes from the general staffing business, while 50% comes from professional and international staffing, which are higher margins. Within each of our platforms, including general staffing, we have a very focused execution and narrative towards higher-margin businesses. These are the value-added services, the manufacturing portfolio, as well as the construction portfolio.

You asked if manufacturing gives a higher markup. Yes, it does. If the normal trend of general staffing markup is between 600 to 700 at a broad level, in the manufacturing space the same could be anywhere between 800 to 1,100. From a gross margin perspective, in consumer, it could be 2-3% gross margin, whereas in manufacturing it could be 5% or 6% gross margin. It is not easy to deliver on manufacturing because it requires intensity in sourcing, which is something that Quess has built in the last 18-19 years. It requires infrastructure which Quess has built with 65 offices of our own and requires technology intervention in recruitment and sourcing.

On fixed and variable markups within general staffing, it is approximately 70-30. So 70% of the contracts will be fixed, and about 30% will be variable. In this quarter, around 38% of the new contracts have come with a variable markup, but these are new contracts. For them to become large and then benefit from the variabilization will take some time.

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Amit Chandra – HDFC Securities: Thanks for the elaborate answer. Obviously, the focus is shifting towards higher margin segments and the mix is becoming healthy. Regarding the professional staffing segment, growth has been coming in there. But because we are becoming more GCC-heavy there, are we seeing some signs of normalization in terms of GCC hiring? Can there be a shift between some slowdown in GCC versus some pickup in traditional IT services hiring? Also, in terms of margins, you mentioned wanting to be in the range of 30 crore quarterly EBITDA. That is roughly an 11.5% to 12% number. Is it the EBITDA for IT staffing that we can see for the coming quarters? A connected question on the EBITDA part for general staffing: in this quarter, there has been an impact because of the 176 crore number. Excluding that, 1.5% is the EBITDA margin for general staffing. Is that a steady-state margin that we can assume, or are there investments required for volume growth to sustain?

Rohit Bhatia – Quess Corp Ltd.: There are lots of questions in that. First, we will pick up on the GCC story. From our book point of view, 68% of revenue comes from GCCs and about 72% in terms of headcount. However, our team is extremely bullish on further growth in GCC for a couple of reasons. India has about 2,407 GCCs as we speak. As of today, we have been able to capture only 10% of them. So there is a big blue ocean out there for us. We have added geographical intensity and practice-based intensity, which will continue to yield more business. India itself is attracting anywhere between 250 to 300 new GCCs every year. Yes, some GCCs may mature and once they mature, there could be a hiring slowdown in that particular GCC. However, we are confident that with so many GCCs yet to be captured, the new GCCs coming in, and our international corridors, like our Japanese corridor which has already gone live, we will be able to capture a greater part of the market.

As far as the margin profile in professional staffing is concerned, you will see that last fiscal year we started the quarter at about 10% and exited the year over 12%. Yet we had guided for an 11-12% margin profile in this portfolio. I will continue to guide for 11-12%.

As far as our general staffing EBITDA is concerned, you are absolutely right. The 176 crore one-time pass-through entry on account of the labor code is there, which did not yield bottom line and hence the contraction of 10 basis points. The second correction during this quarter is that Quess religiously does the merit cycle on April 1 of every new financial year and that has also been baked into these results. So if you normalize for this, we would have been a little over 1.5%. There are multiple moving parts in general staffing. While on one side the flat fee business can erode margin on a percentage basis, our AI investments, sourcing, and platform investments should start yielding from this financial year. Along with our higher-margin portfolio within general staffing, we should be confidently producing similar or better results.

Amit Chandra – HDFC Securities: Okay, sir. Thank you and all the best.

Operator: Thank you. We take the next question from the line of Zakin Nasir from Nasir Investment. Please proceed.

Zakin Nasir – Nasir Investment: Sir, congratulations to you and the team for such healthy numbers. Sir, you have given a very strong statement that Quess aspires to be a 1 million-strong organization by 2030, which would put it among the world's largest private employers. What direction would you set for this in terms of geography and industrial versus GCC versus general staffing? I would want a

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broad guidance on this territory.

Rohit Bhatia – Quess Corp Ltd.: Sure, thank you. You may remember that when we were demerging about a year ago, we had given stated goals for all three organizations. For Quess, the stated goal was to become world's number one from the then rank of fourth and fifth; today we rank third or fourth in terms of volume. For us to become the world number one, we need only about 125,000 more headcount. At a point between 600,000 and 630,000 workforce, we will see an organization which is the world's largest come out of India. Our North Star continues to be 1 million. This is based on the fact that India has a demographic dividend that is going to be positive for at least the next 18 years.

To your question, does this require us to do a disproportionate amount of investment in operations in other countries? I would slightly differ there. In the five corridors future strategy slides in our investor deck, Quess 2.0 is a capex-light and partner-led model in territories like Japan, Israel, UK, Germany, Nordics, Canada, and the US. The intention is not to have an operating staffing company in these countries because each of these countries turned demographic-negative years ago. What we intend is from these countries, there is a disproportionate amount of business coming to India for both talent and technology. We want to build on that strength through our partners. The second thing we want to do is to build reverse skilled talent mobility for international markets. We are looking at four tracks: healthcare, MEP, technology, and retail/hospitality. It is a very capex-light model using India's global power of technology and talent.

Zakin Nasir – Nasir Investment: Sir, in the past two years, the geographical disturbances which have happened in most of the growth countries we are aspiring to be in also have labor visa issues. Do you think you will be able to successfully surmount these and that things will come back to normal in a couple of years?

Rohit Bhatia – Quess Corp Ltd.: If you look at Quess's portfolio, about 7% of our revenue is dollar-denominated from outside of India, and 93% is in Indian rupees. We are looking at higher-margin, value-accretive business and dollar-denominated business. I would also like to draw your attention to the fact that the Indian government is working to establish FTAs with multiple nations. Europe has been announced and should fructify in 2027. Hopefully, the USA FTA will happen soon. In each of these FTAs, there is a full chapter on embedded skilled mobility. Indian nationals have always done extremely well in the Middle East for blue and grey-collar roles, and in the North American market for technology talent. We see no reason why those markets should not open up in a bigger way to solve their internal crises in healthcare, technology, and MEP. As Quess, we are looking world-over at opportunities and we will be ready as and when the corridors open up. The day the visas are ready, Quess should be there.

Zakin Nasir – Nasir Investment: Thank you, sir. Best wishes to the team.

Operator: Thank you. We take the next question from the line of Dipesh Mehta from MK Global. Please proceed.

Dipesh Mehta – MK Global: Yes, thanks for the opportunity and congrats for strong execution. First question is on general staffing headcount growth. In Q1, it grew roughly 5% to 5.5%. How should one look at associate growth in general staffing considering the challenges you highlighted in BFSI?

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Second question is related to your ambition to move from half a million to a million associates by 2030. What would be the role of M&A in achieving that? If M&A is a key element, can you give your thought process around it? Third question is on the new labor code impact of 176 crores. Do you expect it to continue from a base quarter perspective this year? Is this 10 basis points likely to be a headwind when looking at full-year margins?

Rohit Bhatia – Quess Corp Ltd.: Dipesh, thank you. Regarding general staffing headcount growth, we have said that we are aiming to perform at between 10-11% of headcount growth per year, which yields anywhere between 40,000 to 50,000 headcount. In the first quarter, we have done about 5,000 of that, but our team in general staffing is geared up for the upcoming season. As far as our ambition on global scale is concerned, that continues to be our North Star. However, what we are more bullish about is the margin-accretive business and taking Quess towards both volume and value growth. It is not an 'either-or' for us anymore.

Regarding M&A, there is nothing at the moment. As I mentioned, these are capital-light conversations in corridors. We are looking at a partnership mechanism, one of which was announced in June with our Japanese partners. We will continue to look at it that way and if an opportunity comes which is value-accretive at the right valuation, we will keep our investors informed. I will hand over to Neeraj for the specific question on the new labor code.

Neeraj Jain – Quess Corp Ltd.: To answer the question on the labor code, until Q1, we have covered almost 68% of our customers. From an impact perspective, it actually doesn't impact our profitability in the income statement. As soon as our customers make a choice between the FTE and the permanent model, they confirm it to us and we book the liability. It is a pass-through for us. We believe by the end of Q2 or early Q3, we should be able to cover the entire set of customers for Quess and the liability will be fully booked. I would pass it on to Nitin for more color on general staffing.

Nitin Nabel – Quess Corp Ltd.: I just wanted to speak about general staffing and the base at which we are sitting. As Rohit has mentioned, there are three factors which impact the volumes in Q2. Factor number one is that we have signed 86 new accounts, and all these accounts are expected to grow and build volumes in Q2. The second factor is that the festive season is coming, and we expect it to be good. We are currently sitting on an open sourcing book of 37,000 people. On top of that, the new pipelines we are building are healthy as well. Based on these factors, we are expecting a strong Q2.

Dipesh Mehta – MK Global: Just on a follow-up: considering 68% of the customers were covered by Q1, do you expect this 176 crore number to be recurring from a year-on-year perspective? I understand quarter-on-quarter it may not recur, but will that amount for those 68% of customers recur in Q2, Q3, and Q4?

Neeraj Jain – Quess Corp Ltd.: The number depends on the choice the customer makes between the FTE model and the permanent model. As I said, we will get confirmations by the end of Q2. It will then go through an actuarial valuation process and we will book the liability. My estimate is that the remaining number should be less than the 176 crores booked in Q1.

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Dipesh Mehta – MK Global: My question is about the year-on-year aspect. This quarter we booked 176 crores related to gratuity and other benefits because the labor code led to an increase in that number. Should that be a recurring number, or is it a one-time revenue impact?

Neeraj Jain – Quess Corp Ltd.: The 176 crores was a one-time impact because we are booking the liability year-to-date. Based on that headcount base, you will then book the normal gratuity liability as your headcount moves, which depends on attrition and new hiring.

Dipesh Mehta – MK Global: And what will be the normal number? And what is the extra benefit we see this year?

Neeraj Jain – Quess Corp Ltd.: We don't enjoy any benefit as it is always a pass-through for us. Whatever the recurring liability is for the associate headcount, we book that as a cost and correspondingly book that as revenue. We don't enjoy any profit benefit from this. In the next quarter, the final liability balance should be one-third of what we booked in Q1. From there on, the normal number will be very small, so it won't bump up our revenue significantly.

Dipesh Mehta – MK Global: Understood. On the Japanese corridor, can you help us understand the mechanism for how it works? And regarding sourcing strength, what percentage of gross hiring came directly from sourcing this quarter?

Rohit Bhatia – Quess Corp Ltd.: The Japanese corridor is a mature economy where the demographic dividend turned negative 20 to 25 years ago. While it is initially impacting their healthcare and aged care services, the downstream impact is now visible in technology. About 5% of India's 2,407 GCCs come from the Japanese ecosystem. We feel many of these countries will impact GCC expansion into India in a significant way. Quess is not a known name in Japan, but Japan is looking at India in a significant way. Our partnerships use local relationships and strong local names to introduce Quess at an early stage to customers so we can fulfill their talent, technology, and infrastructure needs as they arrive in India.

On sourcing strength, this has been built over 18 or 19 years. We have 65 offices and people deployed in 6,464 different pin codes. Today, 41% of our associates are deployed in Tier 3 cities and below. Every second core employee in Quess is a recruiter. We have 1,400 recruiters, of whom about 750 work only in general staffing. In the month of June alone, we touched 18,000 numbers which hit payroll through our sourcing alone. For the quarter, we did close to 46,000 additions from sourcing to gross ads. Compare this to a year ago when the number was roughly 29,000 to 30,000. Sourcing adds a key differentiation as we are able to source at scale for customers. That puts us ahead when it comes to clients, especially for tougher mandates like manufacturing and construction.

Dipesh Mehta – MK Global: Understood, thank you very much.

Operator: Thank you. We take the next question from the line of Shankar Narayan from I Thought PMS. Please proceed.

Shankar Narayan – I Thought PMS: Good morning, sir. On the Quess 2.0 model for Japan, Europe, and Israel, can you quantify the opportunity in terms of numbers and provide a sense of how a large

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player like us can benefit over a smaller player? How do you see the movement in EBITDA margin in our overseas business over the next 3 to 5 years?

Rohit Bhatia – Quess Corp Ltd.: Total worldwide HR services is about 700 billion dollars. The Indian market, for which we are the largest operator, is roughly 19 to 20 billion dollars. On a value scale, Quess already has about 9% to 10% of the Indian market. However, on a worldwide scale, we don't even have 1% of the market share. Within that market, regions like the US, Canada, Nordics, UK, and Japan represent about 60% to 65% of the total. Supply-side shortages in those countries are creating shrinkage. It is our belief at Quess that staffing companies like ours will solve the technology and talent requirements for the world. We are not opening staffing companies in those markets; we are creating capital-light partnerships to reverse-migrate skilled workers and handle fulfillments in India.

Regarding organized versus smaller players, that is more of an India phenomenon. The rest of the world has mature players in mature markets. We have deep investments in skills, talent, and people for these business lines. As for overseas EBITDA, we currently hover around a 6.2% to 6.5% margin. Two of our markets are already in double digits, while the rest are sub-5%. We would definitely want more, but this is already healthy. I would continue to guide for 6.5% to 7% as things mature.

Shankar Narayan – I Thought PMS: Following up on that, are we seeing any structural shifts from our clients in India due to labor laws? Earlier they preferred a wide number of staffing vendors, but do you see them wanting to shrink the number of vendors they work with?

Rohit Bhatia – Quess Corp Ltd.: Every time a significant policy movement has taken place in the country, the downstream benefit has come to a large operator like Quess. Post-GST and post-COVID transitions, our headcount grew from 240,000 in March 2021 to 482,000 today. Whenever the market throws a challenge in terms of compliance, governance, or complexity of hiring, it helps the largest operator. I wouldn't want to take a guess on the exact impact for this financial year, but we are very focused on looking at every such emerging opportunity with our scale and technology.

Shankar Narayan – I Thought PMS: Got it, sir. Thank you.

Operator: Thank you. We take the next question from the line of Anand Mundhra from My Temple Capital. Please proceed.

Anand Mundhra – My Temple Capital: Hello, thank you for the opportunity. On the Quess 2.0 pivot, I wanted to understand the economics better. Would reverse migration have similar margins to the current overseas staffing business? And would the inbound GCC business be similar to the professional staffing business? Second, you plan to have dollar-linked revenue reach 20% to 25%. What is the current base of dollar-linked revenue?

Rohit Bhatia – Quess Corp Ltd.: The current base is 7%, and 93% is INR-denominated. Regarding GCC versus professional staffing, GCCs come to India looking for specific niche talent, typically in the 5 to 13-year experience category. As the talent matures, price points move upwards. A revenue line for a GCC business could be in the range of 1.5 to 2.5 lakh revenue per associate per month, with a decent margin profile. What we earn from GCC revenue in India matches with technology

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talent we deploy in Southeast Asia.

I would also like to clarify that when we say there could be reverse migration and more GCCs coming to India, it's not at the expense of Quess losing international business. Our international headcount is only 7,000, which is microscopically small. Global demand is coming to India because technology and talent at scale are not available in mature markets.

Anand Mundhra – My Temple Capital: Given that this Quess 2.0 pivot is through a partnership model, would the margins be similar to current business?

Rohit Bhatia – Quess Corp Ltd.: I would not like to hazard early guesses before MSAs are signed and execution begins. Let's start clocking sales before giving a true margin perspective. What I can say is that the margin trajectory will be more like the international and professional corridors and much higher than our general staffing platform margin. 18 months ago, our profit pool from general staffing was 65% to 68%. Today, we are at 50-50. Our goal in 3 to 4 years is to have 65% from the higher-margin businesses on a growing base.

Anand Mundhra – My Temple Capital: Who would our partners typically be? Are they government bodies or private entities?

Rohit Bhatia – Quess Corp Ltd.: One partner is already in the public domain; they are a listed company from Japan and a very reputed firm in the HR technology space. They are not in the staffing business. The other four partners I would not like to reveal before those MOUs are fructified.

Anand Mundhra – My Temple Capital: Got it. Thank you so much.

Operator: We take the next question from the line of Shivang from MK Global. You may proceed.

Shivang – MK Global: It has been four quarters since we have seen the PLI scheme come in. Can you throw some light on the benefits we see from that and the penetration?

Rohit Bhatia – Quess Corp Ltd.: We have not yet considered any PLI benefit in our results up until now. As and when it happens, we will definitely disclose it.

Shivang – MK Global: Okay, so we haven't seen benefits under the scheme yet?

Rohit Bhatia – Quess Corp Ltd.: Not yet.

Operator: Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for closing comments.

Rohit Bhatia – Quess Corp Ltd.: Thank you. To summarize our Q1 FY27, we have seen broad-based double-digit revenue growth across all our core segments. We have strong margins and profitability, with PAT and EPS growth at 61% year-on-year. The continued progress of our Quess 2.0 strategy to build higher-margin dollar-linked revenue will be our area of focus besides building on the volume we already have.

As we move through FY27, our focus will continue to be on driving volume within our general staffing portfolio and reaching a net addition of 30,000 plus associates, sustaining growth

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momentum in professional staffing and overseas business, driving margin expansion, and scaling our dollar-linked talent corridors. We remain confident in our ability to deliver sustainable profitable growth with improving return ratios while building the next phase of Quess as a leaner, more productive, and increasingly higher-margin organization. Thank you again for joining us today for the earnings call.

Operator: Thank you. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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